Every army in the world has a balanced mix of technologies ranging from state of art to current to those being phased out. Accordingly, the Indian Army too is supplied with armaments and equipment depending on their requirement.

As for the modernization of infantry, all necessary steps as required are being taken from time to time. Modernization of Infantry continues to remain a focus area and efforts are made to provide 'state of art' weapons and equipment to Infantry.

Cost parameters in arms deals with Russia

2760. SHRI MAHENDRA MOHAN: Will the Minister of DEFENCE be pleased to state:

(a) whether it is a fact that in some huge armament deals with Russia, including for purchase of Sukhoi-30 multi-role fighters for Rs. 6500 crores in 1996, the Rs. 3,000 crore deal to buy T-90 Main Battle Tanks in 2001, adequate steps were not taken to freeze the cost parameters, which have now led to almost 100 per cent cost escalation in the Sukhoi project and the manufacture of the fighter indigenously is costing Rs. 28.60 crore more, than the imports; and

(b) if so, the reasons therefor and the steps being taken to firm up the guidelines for negotiating such deals in future?

THE MINISTER OF DEFENCE (SHRI PRANAB MUKHERJEE): (a) and (b) The Government concluded a contract during 1996 with Rosvoorouzhnie, a Russian enterprise, for the procurement of Su-30 aircraft. The cost of these aircraft was frozen in fixed US dollars in the contract. The aircraft were delivered at the contracted price.

In so far as T-90 tank is concerned, there had been no escalation in the cost. T-90 tanks have been procured at the cost initially contracted for.

As of now, the cost of indigenous Su-30 MKI aircraft is higher than the cost of imported Su-30 MKI aircraft. But, as the indigenous content would increase in the later phases, the average cost of indigenously manufactured Su-30 MKI aircraft is estimated to be less than the cost of the imported aircraft for the total Su-30 MKI license manufacturing programme.